

Marketing to agents

How do schools attempt to entice an agent's business and what do agents expect from an institution in order to ensure a strong business relationship? JANE VERNON SMITH talks to agents and educators about marketing and the perfect partnership.

The marketing value of "freebies"

One of the more visible means by which language schools promote themselves to agents is with the use of free gifts. These can range from practical offerings such as pens or office supplies to more frivolous items like baseball caps and teddy bears and the unique, such as watches made out of cheese! (offered by Eurocentres based in Switzerland)

These gifts are commonly handed out at workshops and are also sometimes sent directly to agents. "We usually get teddy bears, pens, notepads, cardholders," comments Felipe Richter Mussi Jendiroba of Brazilian agency Intercultural Cursos No Exterior. Language schools' resourcefulness in this area is legendary, with even apples labelled with a sticker bearing the name of the offering school being handed out at workshops.

Although such gifts tend to get the schools in question noticed, agents would not be on the whole swayed by this type of gesture alone. "I do not [regard] this kind of offer as effective," says Karin Demuth of Eurostudy International in Denmark, "[but] rather as a kindness towards the agent who is loyal to

Most institutions realise that to ignore agents is to risk missing out on what is a significant recruitment channel and marketing tool, and working with agents therefore becomes an important part of a school's overall strategy. Educators use a range of marketing methods both to woo new agent partners and to reinforce existing relationships. But which approaches do agents most appreciate? And are language schools investing their money wisely when it comes to agent incentives?

According to the majority of agents who contributed their views to this article, financial incentives are, unsurprisingly, the most persuasive marketing tools. Top among these would be a good level of commission. For Ursula Erne of Ozeania Reisen in Switzerland, this would mean a figure of around 22.5 per cent. Erne says language schools are normally willing to negotiate on commission, based on turnover and the number of students enrolled. This experience is borne out by Jean-Marc Alberola of Bridge-Linguatex in the USA, who notes that commission rates are normally tied to volume of sales.

Danish agent, Karin Demuth of EuroStudy International, finds that schools are usually willing to give a special price if the agency can send a certain number of students to them at the same time. This, she says, could amount to between a 10-to-15 per cent reduction in the price on top

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of the normal commission. In addition, she notes that schools tend to be more willing to reduce prices in order to fill places during the low season. Demuth particularly appreciates this kind of initiative, which allows the agency to undertake promotions to clients.

However, it seems that not all agencies are met with this kind of flexibility with regards to price. Michael Wang, General Manager of Global Exchange Center in the USA bemoans his experience that "schools are [only] willing to negotiate commission when the agency is large enough." Similarly, in Brazil, Felipe Richter Mussi Jendiroba of Intercultural Cursos No Exterior claims that, "The market is so used to the 15-to-20 per cent commission on tuition that schools don't feel like they need to offer other incentives."

It is certainly a reality of the market that some schools are more flexible on commission rates than others. According to Jendiroba, there is more chance of successful negotiation with newer schools. As Demuth puts it, these are "more desperate to get some students". As a result, her agency has on occasion been offered as much as 50 per cent commission on the first couple of students enrolled. In Erne's experience, new schools will offer up to 7.5 per cent extra commission, up to a maximum level of 27.5 per cent.

At Global Village English Centres in Canada, according to Managing Director, Cam Harvey, new and unproven agents are offered a standard opening commission rate, "but we will combine this with an incentive programme, based on the agent's goals," he underlines. Meanwhile, it is not just turnover and pure numbers that are taken into account when deciding commission rates. "Economic circumstances enter into our pricing decisions more and more," says Harvey. "We would be unable to attract business unless we reflected competitive and regional realities in our prices."

Commissions are not the only financial carrots offered by schools to their partners. Another is the brochure contribution.

Although this has been a commonly offered incentive and one which can be relatively substantial, it was mentioned

by only one agent as a marketing method frequently used by language schools – perhaps signifying that this is increasingly defunct as agencies rely more on web-based material or leaflets that can be printed regularly.



According to Erne, her agency typically receives a contribution of between US\$700-1,500, a figure which is again determined by the level of business undertaken. However, as a result of the negative economic situation, the yearly brochure contribution is somewhat lower than it used to be, she notes. Erne is also appreciative of mutual advertising initiatives, whereby schools make a financial contribution towards advertisements, which the agency designs and places in the main national newspapers.

Beyond this, some language schools offer agents free visits, sometimes including free language courses for their staff. For both Demuth and Alberola, this is a major plus. Indeed, "The biggest incentive we get is a free week or two of lodging and language courses for our staff," says Alberola. This is a strategy that works well for both sides, serving as a bonus for the agent, while, as he points out, it is in the schools' interest that agents' sales staff should be

fully familiar with what they are selling. In a similar vein, Erne says, "We appreciate any assistance for our regular journalist trips to language schools... for newspaper reports."

Language schools can also support loyal agents through subsidised attendance at workshops, particularly those that offer familiarisation trips in the local area. Demuth comments that she finds these opportunities especially useful, as they help the agent "to be better at explaining the details to [their] clients".

From the school's perspective, Harvey endorses the role that workshops play in relationship-building between schools and agents. However, for him the most effective method of building and maintaining the loyalty of agents is by meeting face-to-face in the agent's office and/or over a nice meal. "One can't build a trusting and productive relationship over the phone or in a 20-minute workshop meeting," he points out. "Unless an agent (and school) trusts who they're working with, all incentive offers and 'new programme promotions' are pointless."

However, the key is in going about this task in the right way. Even

the offer of a meal can be taken the wrong way, as related by Alberola. "Another well used tactic is to try and create a sense of obligation or to create a personal relationship by inviting us out to expensive dinners during fairs and conferences," he relates.

Some of the hard work that schools put in to cement their relationships with agents is clearly all the more effective for the fact that it is not perceived as "marketing". Harvey is a firm believer in the value of personal contact. "Despite the advances in internet technology," he stresses, "there is simply no substitute for hopping on a plane regularly and meeting the agent on their turf, ideally in their language." Attendance at workshops has a place, he adds, but this is not a substitute for visiting agents in their own office.

Mark Lindsay, Managing Director at St Giles International, notes that schools'

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marketing tactics have to be an integral part of business and appropriate to the size of a school business. "We need to be seen at the leading workshops, advertise in the major industry publications and approach agents directly if we don't work with them," he says.

But Lindsay agrees that the best way to maintain good agency relationships is to "keep in contact with them and learn from them about their business". He underlines, "No matter how good an organisation is, somebody, at some point, will complain – how you deal with that can be critical to maintaining [an agent's] business."

Although agents pay heed to financial and other specific incentives, most stress that these are not the major consideration and a good and trusting relationship with a serious school takes prime importance. For Erne, product quality is the number one factor, while, according to Wang, "teaching quality is basic, but service is key – service must be fast and responsible." For Demuth, meanwhile, a key criterion is whether the people involved are nice and efficient, again underlining the value of a good personal relationship. Alberola notes, "If we feel there is not much of a difference between the quality of schools in a certain location, then it's usually a matter of which school's personnel we have a better rapport with."

So, language schools, take note. It's not always what you do; it's the way that you do it that counts.

the school." According to Ursula Erne of Ozeania Reisen in Switzerland, "Free gifts are absolutely not necessary, and would be no incentive at all." Meanwhile, Jean-Marc Alberola of US-based Bridge Linguatéc is squarely against this type of marketing. "We have never been offered such gifts," he comments, "and I think it's a ridiculous idea."

On the other hand, Michael Wang, General Manager of US-based Global Exchange Centre reacts positively to gifts that are intended to be passed on to potential clients. "It's a good publicity tool [both] for schools and for us. It improves the image of the schools," he notes.

Cam Harvey of Global Village in Canada provides the language school's perspective on this issue. "Small gifts, when tastefully done, are nice reminders of who you are, especially to new agents," he says. Yet, ultimately, such gestures are little more than a luxury add-on or a small reward for loyalty. "Quality agents will not take a chance with their clients for the sake of a few free gifts. In the long run, quality agents will only work with quality schools," he says. But he underlines, "Competitive commissions and incentives are necessary, to show agents you are serious about supporting their efforts."

